

{As Prepared for Delivery}

**Biobased Stakeholders Workshop
Washington, D.C.
June 15, 2006**

**Thomas C. Dorr
Under Secretary for Rural Development
Opening Remarks**

Thank you, and good morning. It is a distinct pleasure to be with you today. I want to begin, however, with one complaint -- which I am sure is shared by any of you who has ever had to speak on this subject.

We have GOT to find a better name for this.

Only in government would you ever hear of something like the Federal Biobased Products Preferred Procurement Program. We need something like “jello,” or “Snapple,” or “Wheaties.”

I’m sure with all the marketing and public affairs talent amassed in this room, we could come up with *something*. It would sure help sell this thing.

That said, there are many occasions -- and this is one of them -- when I know I'm preaching to the choir. This is truly an era of opportunity for rural America on many fronts, including this one. Biobased products hold enormous potential. It is exciting to be part of the team moving the ball downfield, and I sincerely appreciate your commitment and hard work to keep us moving ahead.

I also want to thank Peter Thomas for keeping us on track internally. It is simply essential that USDA lead by example, and we're doing that.

I'll let Peter fill you in on the details, but before he does, I want to acknowledge that he has the really tough part of this assignment.

I get to come to meetings like this, wave the flag, and say glowing things about the bright future of the carbohydrate economy. He gets to turn it into procedures and rules. That's a thankless job -- but a very important one -- and I want to commend Peter for the energy and initiative he has brought to the task.

This IS a big job, and it grows by the week, maybe by the day. Many of you know Marvin Duncan -- Marvin, wave to everyone so they can see

who you are. Marvin and Roger Conway -- Roger, you can wave too -- keep me straight on the figures.

Marvin tells me that, as of this week, CIRAS at Iowa State has now identified 4,445 different biobased products produced by 925 different manufacturers.

These products are grouped in over 150 “items” that are now grist for the rulemaking mill. Round 1, as you know, was published in March, effective April 17.

Rounds 2 and 3, each designating 10 items, are in clearance at the Office of the General Counsel.

Rounds 4 and 5, also designating 10 items apiece, should reach OGC by the end of this month, and we expect to submit Rounds 6 through 8 by the end of the year.

The first 8 Rounds include many of the items with the highest potential for federal procurement. It will, of course, take some time for results to

start coming in. To date, 25 companies have listed 87 products in the Qualifying Products Catalogue at the “FB4P” website.

For what it’s worth, “FB4P” is marginally better than the original, but we still need something snappier. Not a tongue-twister. Before this is over, we should probably be doing public service announcements, and I defy anyone other than a heavy metal band to put FB4P to music.

In any event, it’s too early to have sales figures, but when we meet next -- whether here or in some other forum -- I hope we can start notching the tally stick. The potential is huge. We’re not going to stop now.

We’ve worked hard to get to this point. As you know, there have been some tough issues to resolve. We’ve had to reach a meeting of the minds with OMB and USTR about domestic content with regard to CAFTA and NAFTA. We have been meeting this week to iron out details on the Voluntary Labeling Program. We have some points of persuasion to work out with EPA. But we will get those things done.

Down the road -- with \$70 oil pushing us and extraordinary technical and scientific developments pulling us – lies the carbohydrate economy. The FB4P program is the camel’s nose under the tent. The federal component is large, in and of itself, but it is still just a beginning.

The real payoff will come as we help biobased producers achieve economies of scale, reduce costs, develop markets, and build public acceptance. That will happen. It will happen for a wide range of biobased products just as surely as it is happening today – big time – for ethanol and biodiesel. And this is genuinely exciting.

As for myself, I’m just an old farmer from Iowa who appreciates the strategic value of new markets and, from a farmer’s perspective, has been preaching value-added since I was old enough to know what it meant.

Not so long ago, new markets meant export and value-added meant the guys down at the coop setting up a dairy or getting into meat processing. Today, thanks to bioengineering and materials science, it is hard to think of anything that is off limits.

It is truly a privilege for me, as Under Secretary for Rural Development, to work with an outstanding group of people at USDA to launch some of these new products today.

It is also a privilege to work with each of you to realize this promise.

You represent a wide range of interests -- manufacturers, large companies, small companies, many agencies within government.

All of you have an important role to play. Thank you, and I look forward to working with you.

